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SEQUEL TO RAMBOUILLET

ANNCR:

THE MAJOR INDUSTRIALIZED DEMOCRACIES MEET IN PUERTO RICO LATER THIS MONTH (JUNE 27 AND 28) TO PURSUE THE DISCUSSIONS ON INTERNATIONAL ECONOMICS INITIATED LAST NOVEMBER AT RAMBOUILLET, OUTSIDE PARIS. MANY OF THE SAME PROBLEMS PERSIST, BUT CERTAINLY THE PREVAILING MOOD WILL BE DIFFERENT. VOA BUSINESS EDITOR FRANK FEINBERG HAS THESE OBSERVATIONS:

VOICE:

WHEN PRESIDENT FORD MET ON A RAINY WEEKEND LATE LAST YEAR WITH THE LEADERS OF BRITAIN, FRANCE, WEST GERMANY, ITALY AND JAPAN, THE UNITED STATES WAS IN THE EARLY STAGES OF RECOVERY FROM THE WORST RECESSION SINCE THE 1930S. MOST OF THE OTHER SUMMIT CONFERENCE COUNTRIES WERE STILL REELING FROM ECONOMIC SLUMPS. (OPT) AND THERE WAS UNCERTAINTY WHETHER THE STRENGTH OF THE U.S. ECONOMIC RECOVERY, THEN UNDER WAY, WOULD BE ROBUST ENOUGHT TO HELP OTHER NATIONS, HEAVILY RELIANT ON EXPORTS TO AMERICA FOR THEIR OWN RECOVERIES. (END OPT)

THE LOCALE, HOPEFULLY THE WEATHER, AND CERTAINLY THE MOOD OF THE PARTICIPANTS -- NOW BROADENED TO INCLUDE CANADA -- WILL BE DIFFERENT AT THE SEQUEL TO RAMBOUILLET -- IN PUERTO RICO. THE U.S. ECONOMIC UPTURN HAS BEEN A GOOD DEAL STRONGER THAN EXPECTED, AND THE SAME IS TRUE IN WEST GERMANY AND FRANCE. AND JAPAN AND CANADA TOO ARE MOVING FORWARD. THE ECONOMIC SITUATION IN BRITAIN AND ITALY IS NOT AS BRIGHT. BOTH THE POUND AND LIRA ARE DOWN SHARPLY IN VALUE, INCREASING THE COST OF NEEDED INDUSTRIAL COMMODITIES AND OTHER IMPORTS. BUT BOTH COUNTRIES HAVE STEPPED UP THEIR EXPORT EARNINGS. AND BRITAIN HAS REDUCED

ITS ONCE TWENTY-SEVEN PER CENT INFLATION RATE TO ONE HALF THIS RATE.

THE PUERTO RICO SUMMIT WILL DISCUSS INCREASED CO-OPERATION ON ENERGY AND LIBERALIZING TRADE. ALSO HIGH ON THE CONFERENCE AGENDA WILL BE HOW TO BETTER CO-ORDINATE EFFORTS OF THE INDUSTRIALIZED DEMOCRACIES TO HELP LESS DEVELOPED COUNTRIES.

THE MAGNITUDE OF THE CHALLENGE WAS BROUGHT INTO FOCUS AT LAST MONTH'S UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, AT NAIROBI. DEVELOPING COUNTRIES WANT GREATER STABILITY IN THEIR EARNINGS FROM BASIC COMMODITIES -- THAT IS, LESS UPS AND DOWNS IN PRICES. THEY ALSO WANT FINANCIAL HELP IN MEETING THEIR BALANCE OF PAYMENTS DEFICITS AND PAYING INTEREST ON DEBTS.

SECRETARY OF STATE KISSINGER AND TREASURY SECRETARY WILLIAM SIMON LAST WEEK EXPRESSED DISAPPOINTMENT THAT A GREAT MAJORITY OF THE ONE-HUNDRED-FIFTY-THREE COUNTRIES AT NAIROBI DID NOT VOTE AT ALL ON THE U.S. PROPOSAL TO ESTABLISH A NEW INTERNATIONAL RESOURCES BANK (IRB) TO HELP STABILIZE COMMODITY EARNINGS. EVEN A STUDY OF THE IRB PROPOSAL WAS STYMIED BY AN INCONCLUSIVE THIRTY-THREE TO THIRTY-ONE VOTE. THE REST OF THE NATIONAL REPRESENTATIVES WERE ABSENT OR ABSTAINED. FOURTEEN OF THE NEGATIVE VOTES WERE CAST BY COMMUNIST STATES.

NONE THE LESS, IN RECENT WEEKS THERE HAS BEEN DISCERNIBLE PROGRESS TOWARD ALLEVIATING SOME OF THESE LONG-RANGE ECONOMIC PROBLEMS. THE INITIAL GOLD SALE BY THE INTERNATIONAL MONETARY FUND, FOR EXAMPLE, WILL PROVIDE MONEY FOR SOME HARD PRESSED NATIONS TO PAY OFF TRADE DEBTS. TREASURY SECRETARY SIMON AND PRIVATE BANKERS HAVE ALSO PLEDGED HELP WITH DEBT RESCHEDULING FOR INDIVIDUAL COUNTRIES. AND FOLLOW-UP MEETINGS TO UNCTAD-

FOUR ARE PLANNED IN AN EFFORT TO ENSURE FAIR PRICES FOR COMMODITIES -- FOR BOTH PRODUCERS AND CONSUMERS.

NO ONE EXPECTS THAT THE TWO-DAY CONFERENCE AT PUERTO RICO WILL RESOLVE AGE-OLD PROBLEMS. BUT THIS SEQUEL TO RAMBOUILLET CAN BE THE CATALYTIC AGENT IN BRINGING THE INDUSTRIAL AND DEVELOPING COUNTRIES CLOSER TO WORKING AS AN INTER-DEPENDENT ENTITY.

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